

EXHIBIT A

1 UNITED STATES DISTRICT COURT
 2 SOUTHERN DISTRICT OF OHIO
 3 WESTERN DIVISION
 - - -

4 UNITED STATES OF AMERICA, : **CASE NO. 1:20-CR-0077**
 5 :
 6 Plaintiff, : **JURY TRIAL, DAY 11**
 7 vs. :
 8 : **13th day of February, 2023**
 9 LARRY HOUSEHOLDER, et al. :
 10 : **11:43 a.m.**
 11 Defendant. :
 12 - - -

13 **TRANSCRIPT OF PROCEEDINGS**
 14 **BEFORE THE HONORABLE TIMOTHY S. BLACK, JUDGE**
 15 - - -

16 APPEARANCES:

17 For the Plaintiff:

18 Emily N. Glatfelter, Esq.
 19 Matthew Charles Singer, Esq.
 20 Megan Gaffney Painter, Esq.
 21 Timothy S. Mangan, Esq.
 22 Assistant United States Attorneys
 23 221 East Fourth Street, Suite 400
 24 Cincinnati, Ohio 45202

25 For the Defendant, Larry Householder:

26 Nicholas R. Oleski, Esq.
 27 Robert T. Glickman, Esq.
 28 McCarthy, Lebit, Crystal & Liffman Co.
 29 1111 Superior Avenue East, Suite 2700
 30 Cleveland, Ohio 44114
 31 and
 32 Mark B. Marein, Esq.
 33 Steven L. Bradley, Esq.
 34 Marien and Bradley
 35 526 Superior Avenue, Suite 222
 36 Cleveland, Ohio 44114

1 time, the subsidiary was in a managed bankruptcy and the
2 parent company was attempting to secure a subsidy in order
3 for the deal to go through.

4 The climate on Capitol Square for the proposed subsidy
5 was not good in that administration when they attempted.
6 They failed to secure the subsidy they were looking for so
7 they had engaged me to basically do research to understand
8 not only what the current landscape looked like but what the
9 future prospects of legislation would be.

10 Q. Okay. Did you do some things during your time as a
11 FirstEnergy Solutions consultant that you are not proud of as
12 you sit here today?

13 A. Correct.

14 Q. And did you do some things that were illegal?

15 A. Yes, I did.

16 Q. Have you accepted responsibility for that conduct?

17 A. I have.

18 Q. And how have you accepted responsibility for the conduct?

19 A. Well, sir, I am here today obviously to tell the truth
20 and to be accountable for my actions. I -- shortly after
21 being arrested, I obviously, you know, signed an agreement
22 that stated, in fact, my guilt, which I accept, and I'm here
23 to tell the truth and to be accountable for it.

24 Q. So did you plead guilty to a charge?

25 A. I did plead guilty.

1 Q. And what was that charge you pled guilty to?

2 A. Conspiracy to racketeer.

3 Q. Can you tell the jury what you did?

4 A. Yes. I did many things as part of this conspiracy that
5 were illegal. Initially, as a consultant for FirstEnergy
6 Solutions, who was my client, I directed and coordinated a
7 half million dollars in political contributions from my
8 company FirstEnergy Solutions into Generation Now, which is
9 a 501(c)(4) that's managed by Jeff Longstreth and Larry
10 Householder for the purpose of getting legislation
11 introduced and passed.

12 Secondly, I also coordinated and directed \$15 million
13 of money from FirstEnergy Solutions, my client, again, to
14 Generation Now for the purpose of passing said legislation.

15 After that, I again coordinated in the amount of over
16 \$35 million, contributions from FirstEnergy Solutions, my
17 client, to Generation Now, which was a (c)(4) again
18 controlled by Jeff Longstreth and Mr. Householder, all for
19 the purpose of defending our legislation and protecting some
20 of the representatives who we cared about at the time.

21 I also participated and acknowledged an attempt by our
22 campaign to secure information from opposition campaign in
23 the form of exchanging confidential information for a
24 financial bribe.

25 Q. Did you tell the government about this conduct --

JUAN CESPEDES - DIRECT EXAM

1864

1 A. I did.

2 Q. -- prior to today?

3 A. I did.

4 Q. And did you enter a plea agreement with the government?

5 A. I did.

6 Q. Why did you plead guilty to conspiracy to commit a
7 racketeering offense?

8 A. The easy answer is that I did it. I am guilty of
9 the -- of the charge. Not proud of it, but I want to be
10 accountable. You know, I obviously believe I'm a good
11 person. I feel like I showed poor judgment, and I had to
12 accept, you know, what I did was wrong.

13 Q. And what does that plea agreement require you to do?

14 A. The plea agreement requires me to be honest going
15 forward and participate, obviously, in this trial.

16 Q. Mr. Cespedes, did you want to be here today?

17 A. No.

18 Q. All right. Let's talk about the work that you did for
19 FirstEnergy Solutions. Around when did you start working on
20 behalf of FirstEnergy Solutions?

21 A. My tenure with FirstEnergy Solutions I believe started
22 somewhere around March of '18. I initially, as I mentioned
23 before, I was hired to do research and to basically figure
24 out what had gone wrong during that first legislative effort
25 that failed and then report back to the company my findings,

1 to give advice and counsel and how to proceed moving
2 forward.

3 Q. And how much were you getting paid by FirstEnergy
4 Solutions?

5 A. I believe my retainer at the time was \$10,000 a month.

6 MR. SINGER: May we please show the jury what's been
7 previously admitted into evidence as Government's Exhibit
8 322F?

9 THE COURT: Yes.

10 Q. It's not yet up. It will be a moment.

11 A. I do.

12 Q. What is it?

13 A. This is a scope of service that I created for
14 FirstEnergy Solutions that was a part of my contract upon
15 them retaining me.

16 Q. And who wrote this scope of services?

17 A. I wrote the scope of services.

18 Q. Now, you mentioned The Oxley Group previously. What is
19 The Oxley Group?

20 A. The Oxley Group is a federal consulting firm which I
21 own and operate.

22 Q. Can you read the first paragraph of this document?

23 A. Yes, I can. First paragraph starts, The Oxley Group is
24 an Ohio-based government relations firm. We specialize in
25 handling client matters before legislative and executive

1 government in Ohio. We understand that we have been
2 retained to assist FirstEnergy Solutions in attaining
3 necessary funding through government action to allow for the
4 financial stability/sustainability of its two nuclear power
5 plants.

6 **Q.** Now, what is the purpose of this scope of services
7 document?

8 **A.** The scope of services document basically is just to
9 provide some accountability on all the work that I would be
10 doing on the company's behalf in order to -- and obviously
11 as an addendum to a contract to state what I am being paid
12 for.

13 **Q.** There is a reference to two nuclear power plants. Where
14 are those power plants?

15 **A.** Those power plants are in Northern Ohio, and they were
16 the -- they were the bulk of the portfolio for FirstEnergy
17 Solutions. They obviously had been owned by FirstEnergy,
18 and they were what we were looking for our subsidy for.

19 **Q.** There is a reference there to government action. What
20 does that mean, government action in this context?

21 **A.** Government action in this context is we were looking
22 for legislation that would provide us financial stability in
23 those power plants.

24 **Q.** All right. Let's go through these bullets. Can you read
25 the next sentence and then the first bullet, please.

1 **A.** The items listed below. Some of the responsibilities
2 and roles to be included in this contract.

3 The first is gather political intelligence related to
4 previous legislative efforts made on behalf of FES and the
5 Ohio legislature and report back the findings to FES.

6 The second is participate in the process --

7 **Q.** Mr. Cespedes, let's stop there and go through that.

8 There is a reference to gather political intelligence.
9 What did you understand that to mean?

10 **A.** Gather political intelligence meant that I would speak
11 to the current sitting state reps and senators, to
12 understand why the previous effort failed.

13 **Q.** And that leads to the next question. It says previous
14 legislative efforts. What is the previous legislative efforts
15 that this is referring to?

16 **A.** There was a bill that was drafted that was titled ZEN
17 that accomplished what the parent company hoped to
18 accomplish with securing funding that was introduced in a
19 prior legislature, but it did not have universal support.
20 And it did not go very far.

21 **Q.** What type of funding did the ZEN legislation attain, hope
22 to attain?

23 **A.** The idea of the ZEN legislation was to secure the money
24 necessary to keep the two nuclear power plants at a
25 profitable level.

1 recess.

2 (Proceedings continued in progress at 4:30 p.m.)

3 CERTIFICATE OF REPORTER

4 I, Mary A. Schweinhagen, Federal Official Realtime
5 Court Reporter, in and for the United States District Court
6 for the Southern District of Ohio, do hereby certify that
7 pursuant to Section 753, Title 28, United States Code that the
8 foregoing is a true and correct transcript of the
9 stenographically reported proceedings held in the
10 above-entitled matter and that the transcript page format is
11 in conformance with the regulations of the Judicial Conference
12 of the United States.

13 s/Mary A. Schweinhagen

14 15th of February, 2023

15 _____
16 MARY A. SCHWEINHAGEN, RDR, CRR
17 FEDERAL OFFICIAL COURT REPORTER
18
19
20
21
22
23
24
25